

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION BUILDING
100 NORTH UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
March 19, 2004

MEMBERS PRESENT:

Mr. Mandell Tillman
Mr. Clifford Odom
Mr. James Davis
Mr. Steve Martin
Mr. Jon B. Blissitte

MEMBERS ABSENT:

Mr. Otis Stewart, Jr.
Mrs. Myra Pruitt
Mr. Wilder H. Cheney
Mr. Leston Stallworth

OTHERS PRESENT:

Mr. J.W. Holland, Jr.
Mrs. Lisa Brooks
Ms. Neva Conway

- 1.0 With quorum present Mr. Tillman, Chairman called the meeting to order at 8:30 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 5th. Floor Conference Room, Montgomery, Alabama.
- 1.1 The meeting was opened with prayer by Mr. Martin and then the Pledge of Allegiance.
- 2.0 Members present were Mr. Mandell Tillman, Mr. James Davis, Mr. Clifford Odom, Mr. Jon B. Blissitte and Mr. Steve Martin. Members absent were Mr. Otis Stewart, Jr., Mrs. Myra Pruitt, Mr. Wilder H. Cheney and Mr. Leston Stallworth.
- 3.0 On motion by Mr. Odom and second by Mr. Davis the regular minutes for January 16, 2004 were approved as written. Motion carried by unanimous vote.
- 3.1 Mr. Tillman discussed with the Board Federal Land Bank Appraisals. Mr. Tillman will meet with the investigators on this matter to discuss type of appraisals which are performed and amount of data included in report.
- 3.2 Ms. Conway informed the Board that she had received two subpoenas, one from an attorney in Tuscaloosa and one from an attorney in Birmingham requesting file information on an appraiser. Both attorneys have filed a motion to compel.

Ms. Conway asked the Board to review a letter included in the Board books from Mr. Wade Tennant requesting approval to substitute a fundamentals course for a commercial appraisal course as required in his consent settlement since he has been unable to find the required course. On motion by Mr. Davis and second by Mr. Martin the Board voted to give Mr. Tennant a three-month extension to find the commercial appraisal course. If he doesn't complete the course within this time his license will be suspended. Motion carried by unanimous vote.

Ms. Conway asked the Board to review Formal Complaint AB-02-104. On motion by Mr. Martin and second by Mr. Davis the Board voted that this complaint could be heard before the Administrative Law Judge if the licensee agreed. Motion carried by unanimous vote.

4.0 Ms. Conway informed the Board that our agency bill was in good shape. Sen. Means indicated that he would try to get the Senate version on the Consent Calendar after Spring Break. Ms. Conway stated that she would ask Rep. Grantland to do the same with the House version.

5.0 On motion by Mr. Blissitte and second by Mr. Odom the following applications were voted on as listed. Motion carried by unanimous vote.

5.1 **Trainee Real Property Appraiser applications approved:** Phillip Adcock, Michael N. Alexander, Millissa M. Allen, Richard Benton, James D. Bolton, Frank L. Calloway, Jr., Matthew J. Clark, James D. Collins, Dawn M. Daugherty, Thomas J. Davis, William T. Davis, Gregory Dickey, Oscar W. Dickey, April Gortney, Joshua Finlay, Lois D. Finlay, William R. Finlay, Luke A. Hall, James E. Hester, David M. Hicks (Recip.)(TX), Roger D. Jackson, William D. Jones, Kenneth W. Langley, Katherine Kline, Donna L. Lemay, Michael Mackinaw, Ryan D. Massengale, Theresa J. Matteson, Tina Maynard, Shawn Meeks, Duane C. Nelson, Trey B. NeSmith, Jay C. Parker, Jr., Hayley Penland, Heather M. Phillips, Andrew J. Poe, Tiffany Pollard, Lisa C. Pratt, Virgil L. Pratt, Leah E. Pryor, Michael A. Renda, Lawrence N. Rooker, Mark E. Smithers, Stephen T. Spray, Jonathan Stewart, Bradley D. Stocks, Brandon Thompson, Jack A. Waller, Bryan D. Waldrop, Michael J. Ward, John D. Williams, Douglas M. Wilson, Elisa D. Wright, Harold W. Wycoff, Kelvin Young.

5.2 **State Registered Real Property Appraiser applications approved:** Melissa A. Tapia, Renee' J. Wendell. **Application deferred:** William D. Newell.

5.3 **Licensed Real Property Appraiser applications approved:** Alan T. Berry, Gary B. Keller, Sherry A. Langford (Recip.)(GA), John T. Moore, Jr. Christopher W. Smith, Kathy Smith, Owen A. Tidwell, Darryl S. Truett, John D. Waller (Recip.)(GA). **Applications deferred:** Jason H. Hill, David Ogden.

5.4 **Certified Residential Real Property Appraiser applications approved:**

Samuel D. Brister (Recip.)(GA), Steven B. Holland, Mike D. Jackson, Joseph G. McAleer, Malcolm L. Prater, William H. Shute, William S. Whisenhunt. **Applications deferred:** Jennifer L. Aldridge, Andreas J. Smith. **Application denied:** Kenneth E. Carroll, Jr.

5.5 **Certified General Real Property Appraiser applications approved:** Jack W. Bass (Recip.)(TX), David Domainy (Recip.)(TX), Herman Jagers, Thomas E. Norton, Jr., Martin T. Shaver, Sr. (Recip.)(TN), Arturo Singer (Recip.)(TN), Michael W. Welch (Recip.)(TX). **Application deferred:** Scott B. Maddox. **Application denied:** Rick D. Church.

6.0 Mr. Holland gave the financial report informing the Board that we were 42% into FY 04 and 36% into budget expenditures. Mr. Holland informed the Board there were no negative trends, which could not be reconciled at this time and that expenditures were down \$39,000 from last year mainly because we have one less employee in our support staff. He also informed the Board that our 606 Fund was down by \$88,000 from same period last year. Mr. Holland informed the Board that these figures show a \$1,200 expenditure for gasoline this month which is actually a purchase order to cover future use. On motion by Mr. Odom and second by Mr. Davis the Board voted to accept the financial report as read. Motion carried by unanimous vote.

6.1 On motion by Mr. Martin and second by Mr. Blissitte the following education courses and instructor recommendations were approved, deferred or denied as indicated:

AGDA, APPRAISER GROUP DATA ASSOCIATION, INC.

Previously Approved for 1998-2000 & 2000-2002 cycles:

(CE) RealWorld Appraisal Forms Training Course – 16 Hours
(Instructor: Charles N. Zanaty, Sr.)

Both Course and Instructor Approved

(CE) Advanced RealWorld Appraisal Forms Training Course – 8 Hours
(Instructor: Charles N. Zanaty, Sr.)

Both Course and Instructor Approved

APPRAISAL INSTITUTE – CHICAGO

Initial Application:

(CE) Analyzing Commercial Lease Clauses – 7 Hours
(Instructors: William “Ted” Anglyn)

Both Course and Instructor Approved

(CE) Energy Performance and Commercial Property Value – 7 Hours
(Instructor: Cliff Majersik)

Both Course and Instructor Approved

DYNASTY SCHOOL

Initial Application:

- (CE) National USPAP Update – Distance Course – 7 Hours
(Instructor: Lee R. Hess)

Both Course and Instructor Approved

THE APPRAISAL ACADEMY

Initial Application:

- (CE) Manufactured Home Appraising – 7 Hours
(Instructor: R. Dennis Tompkins)

Both Course and Instructor Approved

THE CE GROUP

Initial Application:

- (CE) Mold Awareness for the RE Professional – 3 Hours
(Instructor: Richard A. Maloy, Richard Laframboise)

Both Course and Instructors Approved

- (CE) Moisture Intrusion, Progression of Damages & Valuation Issues – 7 Hours

Course Approved

- (CE) Mold Awareness & Valuation for the RE Professional – 4 Hours

Course Approved

- (CE) Moisture Intrusion, Progression of Damages & Valuation Issues – 4 Hours

Course Approved

- (CE) EIFS Inspection, Disclosure & Valuation Issues – 4 Hours

Course Approved

- (CE) Mold Inspection, Disclosure & Valuation for the RE Appraiser – 3 Hours

Course Approved

- (CE) Appraising Outside the Box: Nonconforming & Difficult Properties – 4 Hours

Course Approved

Instructors for aforementioned The CE Group courses:

Richard A. Maloy, Richard Laframboise, Greg Burden.

Instructors Approved

THE FOUNDATION OF REAL ESTATE APPRAISERS, FREAA

These courses were deferred from 01/16/04 Board meeting:

(LIC) 15-Hour National USPAP
Course denied

(CE) 7-Hour National USPAP
(Instructor: C. Ross Acheson)
Course and Instructor Approved

Motion carried by unanimous vote.

The Board discussed the apparently combined 7 and 15 hour USPAP courses taught by Mr. E. S. Brooks. The Board deferred further discussion until the next meeting.

Mr. Holland asked the Board to review the letter included in their books from Ms. Melissa Cosby. Ms. Cosby is asking approval for two appraisers who need 40 hours of licensure courses due to disciplinary actions to take 8 hours of her 32 hour Certification II course to finish their forty hours. On motion by Mr. Martin and second by Mr. Davis the Board voted to deny this request but will give an extension to the appraisers to finish their education. Motion carried by unanimous vote.

Based on hardship circumstances Mr. Arthur Dyas requested approval for a Conservation Easements Course previously approved for another provider. On motion by Mr. Davis and second by Mr. Martin the Board voted to approve. Motion carried by unanimous vote.

A report on Career WebSchool examination proctor procedures was included in the books for Board information and consideration.

6.2

The Board reviewed the following disciplinary reports:

AB-03-02, AB-03-03: On December 1, 2003 **John Hewitt, R00401**, a Certified Residential Real Property Appraiser signed a Consent Settlement Order in connection with the appraisal of real property and improvements at 515 Coppinville Road, Enterprise, Alabama (AB-03-02) and Rt. 1, Box 15, Headland, Alabama (AB-03-02). Terms of the consent settlement include: a public reprimand with newspaper publication; a \$1,525 administrative fine; and completion of a Board approved 15-hour National USPAP course with exam. The violations identified in the reports are detailed as follows:

AB-03-02: Licensee omitted the required state certification and the USPAP certification from the report. Licensee did not perform or report any of the three approaches to value in reaching the final opinion of value and did not invoke or attempt to invoke the Departure Rule; a Certified Residential is not licensed to complete a commercial appraisal where the transaction value exceeds \$250,000. The following standards, rules, regulations and statutes were violated: §34-27A-3(b)(2), §34-27A-20(a)(9), Code of Alabama, 1975; §780-X-9.01(e), Appraisers Board Administrative Code, February 15, 1996; Standard 2-2(b)(xii), 2-3, Ethics

Rule-Record Keeping, Standard 1, 1-2 et seq., 1-3, et seq. 1-4 et seq., Standard 2, 2-1, et seq., 2-2 et seq., 2-3, Departure Rule, Ethics Rule-Conduct, USPAP, 2002 Ed.

AB-03-03: The report classifies the property condition as average when the following conditions existed but are not included in the report: damaged exterior siding, vinyl kitchen floor worn through to concrete, damaged or neglected kitchen counters and cabinets, exposed wiring and plumbing, damaged or missing sheet rock on walls, broken windows and large cracks in front porch, one complete bathroom gutted with exposed wiring and plumbing, unfinished walls and ceiling. The ownership of the property was incorrectly reported and the pending transfer of ownership was not reported; and Licensee failed to identify and disclose all assumptions, hypothetical conditions, and limiting conditions that affected the analysis, opinions, and conclusions of the subject appraisal such as that the house and 1-acre parcel appraised were part of a larger parcel. The following standards, rules, regulations and statutes were violated: §34-27A-20(a)(6) Code of Alabama, 1975; 1-1(a); 1-1(b); 1-2(e)(i); 1-2(e)(v); 1-2(h); 1-5(a); 2-1(a); 2-1(b); 2-1(c); 2-2(b)(iii), 2-2(b)(viii), USPAP, 2002 Ed.

AB-03-46: A Letter of Warning was issued to a Certified Residential Real Property Appraiser for a residential appraisal which contains inaccurate data describing the subject property; evidences a lack of understanding of external depreciation and acceptable methods of calculating depreciation; and adjustments were not consistently made between the approaches to value; Violations: 1-1(a); 1-1(b), USPAP, 2001 Ed.

AB-03-48: A Letter of Warning was issued to a Certified Residential Real Property Appraiser for a residential appraisal, which did not contain adjustments for exterior finish, or external depreciation, which were made when using this same property as a comparable sale in another appraisal report. Violations 1-1(a); 1-1(b), USPAP, 2000 Ed.

AB-03-54: A Letter of Warning was issued to a Trainee Real Property Appraiser for a residential appraisal which fails to disclose that the property appraised is more than one parcel and that the parcels are not contiguous; a photograph used in the report for a comparable sale is not the comparable; the report states that all sales were similar in design, construction quality and overall appeal. All comparables had 1 bathroom more than subject, size and number of above ground floors varied also. Violation: 1-1(a); 1-1(b), USPAP, 2001 Ed.

AB-03-55: A Letter of Warning was issued to a Certified General Real Property Appraiser for a residential appraisal which fails to disclose that the property appraised is more than one parcel and that the parcels are not contiguous; a photograph used in the report for a comparable sale is not the comparable; the report states that all sales were similar in design, construction quality and overall appeal. All comparables had 1 bathroom more than subject, size and number of above ground floors varied also. Violation: 1-1(a); 1-1(b), USPAP, 2001 Ed.

AB-03-64: A Letter of Warning was issued to a Trainee Real Property Appraiser for a residential appraisal which contains inconsistent data about Licensee's being provided a survey of the property and about whether the property is owner occupied or rental property; the site size is inaccurately reported; the report evidences a lack of understanding of the Departure Rule, photos of comparable sales are reversed; there is inaccurate data about the characteristics of the subject property. Violations: 1-1(a); 1-1(b); USPAP, 2002 Ed.

AB-03-65: A Letter of Warning was issued to a Certified Residential Real Property Appraiser for a residential appraisal which contains inconsistent data about Licensee's being provided a survey of the property and about whether the property is owner occupied or rental property; the site size is inaccurately reported; the report evidences a lack of understanding of the Departure Rule, photos of comparable sales are reversed; there is inaccurate data about the characteristics of the subject property. Violations: 1-1(a), 1-1(b); USPAP, 2002 Ed.

AB-03-93: A Letter of Warning was issued to a Certified General Real Property Appraiser for a residential appraisal in which sales of flooded properties were used as comparables to develop the value opinion, ignoring instructions from the Flood Mitigation Project management to use arms length transactions. The hypothetical condition which was part of the assignment, i.e. to ignore the flooding of the subject property was not prominently disclosed in the report. Violations: 1-1(a); 1-1(b); 2-2(b)(viii); Competency Rule, USPAP, 2002 Ed.

Mr. Holland discussed with the Board the investigative status charts and noted we have 57 open complaint cases on hand.

The Board discussed retention of disciplinary records. Ms. Conway informed the Board that disciplinary records could not be discarded even after five years. The Board asked Mr. Holland to put these files in his office in a locked cabinet.

6.2.1

The Board reviewed Probable Cause Summary on **AB-03-74:** On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary and Recommended Disposition on **AB-03-75:** On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

Board reviewed Probable Cause Summary on **AB-03-92.** On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary and Recommended Disposition on **AB-04-03**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause **did not** exist and to dismiss. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-04-05**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause **did not** exist and to dismiss. Motion carried by unanimous vote.

Board reviewed Probable Cause Summary on **AB-04-06**. On motion by Mr. Martin and second by Mr. Odom the Board voted that probable cause **did not** exist and to dismiss. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-04-09**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. Motion carried by unanimous vote. On motion by Mr. Odom and second by Mr. Blissitte the Board voted to follow investigators recommendation and issue a Letter of Warning. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-04-10**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause **did not** exist and to dismiss. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-04-13**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause **did not** exist and to dismiss. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-04-14**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause did exist and to follow investigators recommendations and proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Board Initiated Complaint Request and Probable Cause Summary on **AB-04-15, Companion Case AB-04-16**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that sufficient justification exists to warrant a board initiated complaint. Motion carried by unanimous vote. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause did exist and to follow investigators recommendations and proceed with formal investigation. Motion carried by unanimous vote.

The Board reviewed Probable Cause Summary on **AB-03-88, Companion Case AB-03-89**. On motion by Mr. Odom and second by Mr. Blissitte the Board voted that probable cause did exist and to follow investigators recommendations and proceed with formal investigation. Motion carried by unanimous vote.

6.2.2 There were no anonymous complaints to be reviewed at this time.

6.2.3 There were no negotiated settlements to be reviewed at this time.

6.3 No reciprocal agreements to report since last meeting.

- 6.4 The following reciprocal licenses were issued since last Board meeting: Jack T. Bass (G)(TX), Samuel D. Brister (R)(GA), David Domainy (G)(TX), David M. Hicks (T)(TX), Sherry A. Langford (L)(GA), Martin T. Shaver, Sr. (G)(TN), Arturo Singer (G)(TX), John D. Waller (L)(GA), Michael W. Welch (G)(TX).
- 7.0 The temporary permit report was provided to the Board for their information.
- 8.0 Mr. Holland stated to the Board that he and the investigative staff would have the Trainee Orientation PowerPoint training ready for a trail presentation at the May meeting baring unforeseen circumstances.

Mr. Holland informed the Board that there was a letter from Ms. Judith Haney in the books for their information.

Mr. Holland included in the Board books a draft of the current newsletter for their review and he would welcome any articles from the Board members for upcoming issues.

Mr. Holland discussed with the Board a letter which was included in the Board books regarding Trainee advertisements. On motion by Mr. Blissitte and second by Mr. Davis the Board voted to open a Board Initiated Complaint against the Trainee. Motion carried by unanimous vote.

Mr. Holland also included in the Board books for Board information a letter from Mr. Johnny Kimbrell regarding trainees locating supervisors.

The Board discussed a letter from Mr. Davis Hughey requesting a waiver to be able to count continuing education courses in order to upgrade his appraiser license. On motion by Mr. Martin and second by Mr. Odom the Board voted not to grant the waiver. Motion carried by unanimous vote.

Mr. Holland included in the books a draft of an appraiser review checklist by Mr. Odom for the members option to use when reviewing selected appraisals for work product review. Once completed this checklist will be used as handout information for the Trainee Orientation and also will be displayed on the website.

Mr. Holland asked the members if anyone was interested in attending the AARO Spring Conference being held in Cincinnati, OH on April 23-26, 2004. No one could commit at this time.

Reconsideration Hearings

11:00 a.m. – **Evan G. Malone** – T Applying for R

At 11:10 a.m. on motion by Mr. Martin and second by Mr. Davis the Board voted to go into Executive Session to discuss the good name and character of an individual.

At 11:12 a.m. the Board went back into Regular Session.

On motion by Mr. Odom and second by Mr. Martin the Board voted to approve Mr. Malone to sit for the Certified Residential Real Property

Appraiser exam. Motion carried by unanimous vote.

11:15 a.m. – **Melanie Walker** – Applied for T.

At 11:25 a.m. on motion by Mr. Martin and second by Mr. Blissitte the Board voted to go into Executive Session to discuss the good name and character of an individual.

At 11:40 p.m. the Board went back into Regular Session.

On motion by Mr. Martin and second by Mr. Odom the Board voted to approve Ms. Walker to sit for the Trainee Real Property Appraiser exam. Motion carried by unanimous vote.

At 12:25 p.m. the Board held a Trainee/General interview with Mr. Thomas Norton.

The next Board meeting will be May 21, 2004.

9.0 Meeting adjourned at 1:00 noon

Sincerely,

Lisa Brooks
Executive Secretary

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APPROVED: _____
Mandell Tillman, Chairman